

Board of Selectmen Workshop
Tuesday, 9/24/2013

A workshop was held by the Rockport Board of Selectmen on Tuesday, 9/24/13 in Conference Room A at Town Hall with five selectpersons, the Town Administrator and the Asst. to the Town Administrator.

7:08 Meeting called to order

Chairperson Battistelli reminded the board members of the vote taken at Saturday's regular meeting (9/21/13) with regard to waiving the prohibition of taking votes at workshops for this workshop. Therefore, votes can be made at this workshop.

The Town Administrator shared information on the progress made on appraisals for Long Beach.

She said two appraisal groups had responded; one was from Manchester and one from Danvers. One from Boston hasn't responded yet.

The Danvers group could turn it around in four months; they couldn't get going on it until after 11/1/13; the cost would be approximately \$45,000.

The group from Manchester can turn it around in eight weeks; the cost would be approximately \$77,000.

The Town Administrator reminded the group that this process would require the Chapter 30B bidding process, and a monetary commitment from the Finance Committee would be needed before moving forward.

Apparently many of the comparable properties have mobile homes on them; it's unclear how relevant that will be for Long Beach purposes.

Selectperson Sheedy inquired if the appraisers can recommend a range of fair market rents. The Town Administrator said they cannot.

Chairperson Battistelli said another possibility is getting a group of unbiased individuals together. She recommended reaching out to some of the residents who have sent e-mails to town hall on this issue. She said we're facing financial and environmental issues, maybe representatives from the Finance Committee, the Board of Selectmen, and the Dept. of Public Works should work together to flush out all the issues that are being raised.

Selectperson Lucas said she spoke to DPW Commission Chair Jim Gardner, she said he does not want the Board to engage in a ten year lease, he believes in one year's time we will know more about erosion, the seawall and beach replenishment.

Chairperson Battistelli said if we find that the wall is destroying the beach, then what?

Selectperson Lucas said she expected that we would use the duration of the lease to work on this; we wouldn't be idle for the duration of the lease. She said Jim Gardner's concern is that we won't do what is needed during the term of the lease.

Selectperson Wilkinson said she has been asked to review the sediment transport study proposals that have come in responding to the RFP, and rate them.

Selectperson Murphy said he believes it is irresponsible to go beyond two year leases. He said there are many moving parts here; we need a facilitator. Perhaps get someone from out of town. He said he doesn't understand what the rush is here, why we're feeling so pressured to move quickly.

Selectperson Sheedy said she agrees with Selectperson Murphy. She said two years is a sufficient amount of time to gather information; there's lots of uncertainty around this. This is probably the largest single asset in town. She said more sales of Long Beach cottages occurred in 2013 than in the prior three years. She said they're selling even with the current leases terminating on 12/31/13.

Selectperson Wilkinson said no one is knocking down her door saying to sell the cottages. The only issue here is financial, she said we wouldn't be here now, having this discussion, if the lease amounts had been increased appropriately over time.

A sub-committee of the Board of Selectmen, to work on this, was discussed.

Chairperson Battistelli said we may need three more months, but let's not put this off for two more years. We need to separate the issues of the leases and the environmental issues.

Selectperson Lucas said the existing lease with the 90 day out clause is very vague.

Selectperson Wilkinson said she's worried that we're being alarmists. She said these cottages have been there for over 100 years. She said Kopelman & Paige can write protections into the lease for the town. We can write in what we're comfortable with regarding length and lease amounts.

Selectperson Sheedy said this is a huge responsibility both fiscally and environmentally.

Selectperson Wilkinson questioned if we can we negotiate with the appraisers. M. Vieira said we can't negotiate in a bidding process.

Selectperson Sheedy questioned if the appraisers can get us their estimates on three lots in the back row, and three in the front row. Perhaps do a sampling rather than having all the lots appraised; it's just the land.

A draft survey of questions for Long Beach residents was reviewed:

M. Vieira said the survey would be an on-line tool. He said a letter was mailed to every leaseholder requesting they get back to town hall by 10/2/13 with an e-mail address so they can respond to the survey.

Five questions for the survey:

1. Occupancy period (seasonal or full year) choose the month(s)
2. Renting cottages - do they believe renting should be allowed
3. Selling the lots to tenants in the future – ask if they are interested in purchasing
4. Length of the lease – what would they choose
5. Do you have a mortgage on your cottage, “yes” or “no”, and would they like the ability to do so

Review draft lease:

- Article 1 – proforma
- Article 2 – premises, year round vs. 6 months (all issues related to this need to be investigated)
- Article 3 – term/length of lease
- Article 4 - rent amount
- Article 5 – utilities (water/sewer)
- Article 6 – maintenance
- Article 7 - alterations
- Article 8 – assignment – remove the inability to rent their cottage (sub-leasing)
- Article 9 – indemnification (seawall or barrier beach movement) acknowledge the barrier beach in the lease

The Town Administrator said that town counsel has not reviewed the latest draft lease yet.

Selectperson Sheedy is reviewing the lease and will get her recommended changes to the Town Administrator.

Parking spaces – include the specifics in the lease, currently six cottages do not have designated parking. A notice of intent would be necessary for the Conservation Commission for reclaiming

Selectperson Wilkinson recommended the board vote on some of these issues, particularly the length of the lease. She said that by next Tuesday we should know much more about the appraisals.

Selectperson Sheedy asked if the board members felt comfortable that they have sufficient information to move forward with a vote.

Selectperson Lucas said if we talk about moving forward increasing the rent closer to market value, then she wouldn't be in favor of a shorter lease term.

Chairperson Battisteli said we won't have the information back from cottage owners on the survey until October.

Selectperson Murphy moved that the Town of Rockport enter into a 2 year agreement with the Long Beach tenants, seconded by Selectperson Sheedy, Vote: 2-3, Selectpersons Murphy and Sheedy not in favor – motion not approved.

Selectperson Sheedy said she is not in favor of tying up this asset up for 10 years while there are so many unknowns, with the seawall and other fiscal responsibilities. We don't have fair market rents, we don't know the cost to repair the seawall; it wouldn't be fair to the tenants either.

Chairperson Battistelli said she disagrees. She feels a longer lease period provides more stability to the town and worries about the message that a shorter lease sends to the town and to the market. She is not in favor of a shorter lease. She said a ten year lease allows us time to figure out what is fair, if we're going to be increasing the lease amount, they will have a ten year window to plan.

Selectperson Lucas said she feels that the lease already covers a shorter lease period if necessary. She said we would be changing the situation overnight, if we say something short term, we'll have uncertainty around the property.

Selectperson Wilkinson said many more people use Long Beach than just the cottage owners.

Selectperson Lucas said J. Gardner feels that everyone loves that beach and it can't be sacrificed for a wall or houses.

Selectperson Sheedy questioned if the board is ready to write language into the lease around the commitments of what the board is prepared to do during the duration of the lease.

Chairperson Battistelli said even though the lease allows for a 90 day termination notice, certainly more notice can be left (it could be two years notice if we find that the beach is disappearing and we need to take action).

Selectperson Wilkinson said she understands that the sediment transport proposals have some innovative solutions and ideas.

Selectperson Wilkinson moved that we draft a 10 year lease and over the next several weeks the start date of the lease may change. If the financial information isn't available, in order to make decisions around the rent amount by 12/31/13, an extension of the existing lease with the same rental amount may be put in place until such time that the rental cost can be determined, seconded by Selectperson Murphy, Vote: 3-2, motion approved. Chairperson Battistelli and Selectpersons Lucas and Wilkinson in favor

Selectperson Murphy recommended leaving Long Beach on Board of Selectmen agendas going forward until it doesn't need discussing any more.

Selectperson Lucas said we're talking about changing something overnight here; she said she wants an inclusive solution working with the town, the cottage owners, etc. Some cottage owners might decide to sell their cottages, and some will want to be in it for the long haul and work on this process with us.

Selectperson Sheedy said she doesn't believe a two year lease would mean we care any less about the cottage owner's position on this.

Chairperson Battistelli is in favor of ten year leases. She said the 90 day out clause in the lease allows for any emergencies. Many of the seawalls in place probably shouldn't have been built in the first place.

Selectperson Murphy moved to adjourn, seconded by Selectperson Wilkinson, Vote 5-0.